



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 559** HLS 09RS 839
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 12, 2009	8:32 AM	Author: SMITH, JANE
Dept./Agy.:		
Subject: Veteran Initiative		Analyst: Evan Brasseaux

MILITARY AFFAIRS

EG INCREASE GF EX See Note

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Provides for veteran and service-connected disabled veteran-owned entrepreneurship

The proposed legislation establishes the Louisiana Initiative for Veteran and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (the Veteran Initiative) to facilitate the growth and stability of Louisiana’s economy by fostering utilization by state interests of the business offerings available for state procurement and public contracts from Louisiana’s veteran and service-connected disabled veteran-owned small entrepreneurship, and providing a clearinghouse of information to these entrepreneurship. The commissioner of administration shall establish annual goals for veteran-owned entrepreneurship participation in state procurements and public contracts. The commissioner shall provide guidance to agencies with respect to estimation of dollar values for anticipated procurement and contract activity to be used in the development of this goal. The commissioner shall provide periodic training for relevant state employees to acquaint themselves with the requirements of the initiative; and shall also conduct a training program at least semiannually to acquaint veteran-owned entrepreneurship with state procurement and public contract proposal and bidding practices.

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation establishes the “Veteran Initiative” and provides that the commissioner of administration set goals for veteran-owned entrepreneurship participation in state procurement and public contracts. As the legislation does not require a specific amount of business be provided to veteran-owned entrepreneurship, and merely provides that goals be set, this legislation will only result in an increase in expenditures to the extent that these veteran-owned entrepreneurship are chosen over lower priced competitors. Language contained in this legislation provides an allowance of at least ten percent of the total evaluation points in a request for proposal awarded to an offeror demonstrating a good faith effort to use veteran and service-connected disabled veteran-owned small entrepreneurship as subcontractors and the same allowance to an offeror who is a certified veteran and service connected disabled veteran-owned small business entrepreneurship. These provisions will give a competitive advantage in state procurement and public contracts to these entities.

Some increased costs may be incurred due to periodic training for relevant state employees to acquaint them with the requirements of the initiative. In addition, increased expenditures will also result to conduct training programs at least semiannually to acquaint veteran-owned entrepreneurship with state procurement and public contract proposal and bidding practices. The LFO is uncertain as to the extent of the cost of training as the DOA has not responded to the LFO request for information. Additional costs may result for the Office of State Purchasing to adopt rules, develop the program, develop goals and initiatives, create and maintain a database, provide training, schedule and conduct presentations and forums, etc.

Additional costs may be incurred at the DOTD, DNR, DEQ, and DED related to a provision in the bill which allows the commissioner to secure staff of these agencies for the purpose of providing practical advice to veteran and service-connected disabled veteran-owned small entrepreneurship relative to procurements and public contracts. The LFO assumes any additional costs to these agencies would be negligible. However, DOTD indicates that an additional procurement manager would be necessary at a salary of approximately \$71,000.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

☐ 13.5.1 >= \$500,000 Annual Fiscal Cost

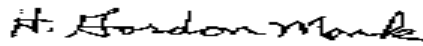
☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease



H. Gordon Monk

Legislative Fiscal Officer